

# INFORMATION LETTER

Not for  
Publication

NATIONAL CANNERS ASSOCIATION

For Members  
Only

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Washington, D. C.

September 20, 1958

## CCC Investment in Crops Is Down 4% from Mid-1957

The investment of the Commodity Credit Corporations in price support programs as of June 30 is reported by the USDA at \$7,029,695,000. The total is made up of the cost value of inventories, \$5,454,940,539, and outstanding loans, \$1,574,755,402.

The CCC investment as of June 30, 1957, was \$7,338,081,000, of which inventories amounted to \$5,371,252,000 and outstanding loans to \$1,966,829,000.

Items in the CCC inventory as of mid-1958 included wheat, corn, grain sorghum, strategic materials, upland cotton, barley, rough and milled rice, butter, soybeans, cheese, dried milk, oats, rosin, extra long staple cotton, dry edible beans, cornmeal, flaxseed, rye, field seeds, wheat flour, honey, gum turpentine, tobacco, peanuts, and tung oil.

The combined value of the wheat, \$2.3 billion, and corn, \$1.9 billion, account for about three-fourths of the total inventory cost.

The outstanding loans of almost \$1.6 billion are accounted for largely by loans on tobacco, \$567 million; corn, \$511 million; and upland cotton, \$356 million.

New realized program loss on price support operations for the fiscal year ended June 30, 1958, totaled \$1,072,688,152. For the fiscal year ended June 30 a year ago the program loss on price support operations totaled \$1,299,477,342.

Loan and inventory figures covered in the USDA announcement do not include purchase agreements. Those entered into on 1957 crops through June 30, 1958, had an estimated total value of \$254,232,000, and purchase agreements on 1956 crops entered into through June 30, 1957, had an estimated total value of \$243,816,000.

Price support extended (total loans, direct purchases, and purchase agreements) on 1957 crops through June 30, 1958, amounted to \$2,683,837,770 compared with \$2,978,899,108 on 1956 crops through June 30, 1957.

## N.C.A. Donates Canned Foods to Red Cross Disaster Service

The several thousand samples of canned foods in tin and glass supplied by the N.C.A. membership for use in the "September is Canned Foods Month" exhibit at the USDA have been donated to the American Red Cross. The presentation was made last week by Executive Secretary Carlos Campbell to Robert C. Edson, National Director of Disaster Services, who said, "The Red Cross is most grateful—this donation is characteristic of the canning industry, which has on many occasions rendered great public service at times of disaster. Canned foods are one of the best instrumentalities for feeding during crises when public utilities are put out of commission."

Mr. Campbell reviewed the several instances when canned foods have proved a salvation to disaster victims, including the organized distribution through the Red Cross at the time of the Mississippi River floods of 1937. "Canned foods have proved so essential for emergencies that civil defense authorities now advise householders to store them against the possibility of atomic attack," he stated.

A photo and story of the presentation, made in the USDA Patio, was prepared and distributed by the Information Division to the national wire services and newspapers of largest circulation in the 15 largest cities, as well as to the canning industry trade press.

### Food Standards Committees Review Industry Comments

Industry committees on standards for fruit juice drinks and fruit nectars met with N.C.A. staff personnel September 12 to consider comments received on preliminary drafts of standards which had been submitted to known packers of these products.

Agreement was reached on certain basic considerations, but additional information must be acquired before revised proposals can be drafted. Another meeting of the committees is scheduled to be held October 23-24.

### Canning Industry Represented

The canning industry is represented on the Agricultural Committee of the U. S. Chamber of Commerce for 1958-59, just announced.

On the committee, which advises the Chamber's Agriculture Department, are Milton E. Brooding, California Packing Corp., San Francisco, Calif.; Dan Gerber, Gerber Products Company, Fremont, Mich.; and J. A. Hauser, The C. H. Musselman Co., Biglerville, Pa. Also on the 37-man committee are Stanley B. Crockett, Crockett Groves Inc., Harlingen, Texas, and Frank R. Wilcox, Sunkist Growers, Los Angeles, Calif.

### Final IRS Regulations on Individual Expense Deductions

The Internal Revenue Service has issued its final regulations on reporting and substantiation by employees of their business expenses and expense accounts on individual income tax forms.

Under the regulations, an employee who accounts to his employer for his business expenses will not be required to report such expenses on his tax return, either detailed or in total amount. When reimbursements are equal to expenses, the regulations state:

"The employee need not report on his tax return (either itemized or in total amount) expenses for travel, transportation, entertainment, and similar purposes paid or incurred by him solely for the benefit of his employer for which he is required to account and does account to his employer and which are charged directly or indirectly to the employer (for example, through credit cards) or for which the employee is paid through advances, reimbursements, or otherwise, provided the total amount of such advances, reimbursements, and charges is equal to such expenses. In such a case the taxpayer need only

state in his return that the total of amounts charged directly or indirectly to his employer through credit cards or otherwise and received from the employer as advances or reimbursements did not exceed the ordinary and necessary business expenses paid or incurred by the employee."

However, any allowance to the employee in excess of his expenses must be included in the return as income, and expenses in excess of reimbursements may be claimed as a deduction.

An employee who is not required to account to his employer (or even though required, does not account) must report on his return the total amounts of expenses and may be called on to substantiate the information on his return regarding his expenses.

Under the new regulations an employee who is required to account to his employer for his expenses and does so account, will not ordinarily be called upon to substantiate expense account information unless his expenses exceed reimbursements and he claims a deduction for such excess, or he is related to his employer or is employed by a company in which he or his family owns more than 50 percent of the stock, or it is determined that the procedures used by the employer in accounting for these expenses are not adequate.

In Revenue Ruling 58-453 the IRS has set forth the circumstances under which mileage allowances and per diem allowances paid in accordance with a fixed scale may be considered as equivalent to an accounting to an employer.

Coming within this standard will be a fixed mileage allowance or a per diem allowance "not in excess of 125 percent of the maximum mileage rates or per diem rates authorized to be paid by the Federal Government in the locality in which the travel is performed." The maximum U. S. Government mileage allowance for use of a personal automobile on official travel is 10 cents a mile and the maximum per diem for travel in the United States is \$12 a day; the maximum permissible allowances under Revenue Ruling 58-453 thus would be 12½ cents a mile and \$15 a day, respectively, the IRS said.

Revenue Ruling 58-453 was to be published in Internal Revenue Bulletin 1958-37 dated September 15.

Text of the IRS regulations was published in the *Federal Register* of August 28. They apply to years beginning after December 31, 1957.

## Restaurant Management

An attention-getting box introduces the article "A New Look at Canned Foods" in the September issue of *Restaurant Management* magazine. Titled "In Brief," the article states, "Canned fruits and vegetables are passing through a revolution that is producing constant improvements. These tips on buying, storing, handling and preparing canned foods will help you to take advantage of some of the new developments."

The introductory statements say, "There have been more significant changes in the canning industry during the last 15 or 20 years than during all of its previous history. And changes are reflected in adjustments in all phases of the industry—production, sales, distribution and consumption."

The feature goes on to give a word picture of the consumption of canned, frozen and fresh vegetables and fruits. The discussion continues: "What is the status of these foods in the restaurant business? The November, 1956, issue of *Agricultural Marketing* published by the U. S. Department of Agriculture reported on a survey conducted with 462 restaurants on their use of frozen foods. Statements on other foods are also included.

"They state: '31 percent of the vegetables purchased were in frozen form; 38 percent, canned; and 31 percent, fresh. But whether you get frozen, fresh or canned vegetables depends upon the items you order. If you select broccoli, lima beans, or cauliflower, the chances are six out of 10 that they have been frozen. But if you order sweet corn, green beans, green peas, or asparagus, you'll probably be served canned foods. In fact, carrots and leafy greens are the only two vegetables that are almost always served fresh.'"

Under the heading, "Improvement in Canned Foods," is stated: "Almost as spectacular as the new look in cars is the change in many canned foods, though much of the change has been gradual. The changes are the result of broadscale research." The headings following "Buying Canned Foods, Storing Canned Foods and Using Canned Foods" discuss these important phases in relation and implication to institutional food service.

A page is devoted to black and white photographs. One shows a low calorie salad plate using canned asparagus; one depicts steam table service of canned sauerkraut, peas, and

pork chops; the third shows a gelatin salad made with canned pineapple and fruit cocktail. A fourth photograph pictures a main course salad using canned pears, as served in a popular restaurant in Yakima, Wash.

*Restaurant Management* has a circulation of more than 33,000 in the quantity food service field. Readers include operators of table, counter, fountain, bar and beverage, drive-in and self-service.

## Institutions Magazine

"September is Canned Foods Month" is brought to the attention of the readers of *Institutions* magazine in the September issue by Food Editor Jule Wilkinson.

In the section entitled "Food Plentiful for September" the following discussion appears: "'September is Canned Foods Month,' another month-long promotion that will underscore the many benefits canned foods offer the food service industry. Unskilled labor and overworked chefs are only two of the problems that can be solved by using more canned foods. The chef is freer to handle more important duties while the unskilled workers take over canned food preparation.

"Other benefits are assurance of uniform quality and excellent portion control.

"Helpful suggestions to operators interested in receiving full benefits from this promotion are (1) asking suppliers about new items on the market, (2) discussing September 'specials' offered as part of the promotion, (3) using menu clip-ons and other point-of-sale material available, (4) planning daily or weekly canned food menu specials." It suggests that the reader turn to an article about canned foods for more ideas.

The article is entitled "Canned Food Specialties" and is introduced with a discussion of the "September is Canned Foods Month" promotion. It goes on to say, "With so much attention being devoted to canned foods sales in the consumer field, food service operators will want to get into the act by featuring canned foods specialties throughout the month."

Eight recipe ideas, illustrated with black and white photographs, are given. Suggestions include the recipe for "Hunter's Corned Beef Hash," using canned corned beef hash. "German Noodles" using canned cream of celery soup, may be a main dish or side dish and has canned peas served with it. This is described as a "re-

peat item on the cafeteria line." Salmon is used in "Macaroni De Luxe," described as a specialty for the school lunch program. Another photograph shows canned baked beans and carries the description, "Although baked beans is probably one of the most universally accepted of all canned foods, these too, can be varied from simple to luxury service by merely changing the type of garniture." A salad uses canned fruit cocktail and canned peaches, a dessert suggestion uses canned pears, and ways to serve canned vegetables for dinner or luncheon give seasoning tips and combination suggestions.

*Institutions* magazine goes to owners, operators and key buying factors in more than 40,000 institutions and 1,300 army and navy offices.

## Volume Feeding Management

In the September issue of *Volume Feeding Management* magazine Eulalia Blair, food management editor, features the article "Salad Time All the Time." The subtitle says, "Add zest, glamor and saleability to salads with a wide variety of canned vegetables. Imaginative color and texture combinations make salad sales zoom the year around."

The author begins the article, "Salads never need to be dull. An amazing number of vegetables await in cans—ready for quick use as salads, salad ingredients or salad garnishes."

"And further variety is had just for the asking. Take advantage of the several forms in which many of the vegetables are packed."

"Ready-made changes come from the various shapes found in whole, cut, sliced, diced, julienne and french-style vegetables. The popular tossed salad bowl, the meal-in-itself luncheon salad and the small accompaniment salad all stand to benefit by canned vegetable know-how."

Going on to give numerous tips and suggestions, Mrs. Blair says, "You may be surprised at the wealth of salad material stowed on your store-

room shelves. What could be easier, or more elegant, than chilled green asparagus spears vinaigrette? Than hearts of palm or celery hearts marinated in french dressing on cress? What could be more simple than tiny whole beets topped with sour cream and horseradish dressing? What would involve less than sweet-sour green beans (superb even without lettuce), tomato aspic or sliced pickled beets direct from the can?" In addition to the short suggestions eight recipes are given, some illustrated with black and white photographs. A "Canned Vegetable Checklist for Salads," including 22 vegetables and juices, and a list "Salads In Cans" including 6 items are given.

Another article, "Relishes Make Meals Alive," features canned apples and applesauce. The article says, "A modest offering of a 'just right' relish can turn a good but rather dull meal into a lively one. Appropriate relishes carefully chosen for flavor harmony and pleasing texture contrast add sales value to the dishes they accompany."

The seven relish recipes are described: "These simple, easy-to-do recipes hold unmistakable appeal to food operators in that they are based on ready-to-use canned apple sauce and canned apple slices." This article is also illustrated with black and white photographs.

*Volume Feeding Management* goes to a national network of food jobbers, food service equipment dealers and executives in the volume feeding industry.

## MSSA Requirements For Canned Foods

Tentative requirements for chili sauce, canned plums, and canned dehydrated apples from the 1958 pack to meet the needs of the armed forces have been announced by the Military Subsistence Supply Agency, 226 W. Jackson Blvd., Chicago 6, Ill. Procurement will be made by the Oakland Military Subsistence Market Center, 2155 Webster St., Alameda, Calif.

Item	Grade	Style	Container Size	Quantity (pounds)	Quantity (cases)
Chili sauce.....	A (Fancy)	.....	12-oz. glass..	2,112,000	234,667
Plums, heavy or ext. hvy. syrup..	A (Fancy) or B (choice)	I. whole, purple	No. 2½..... No. 10.....	779,000 1,814,000	17,311 44,790
Apples, dehydrated.....	A (Fancy) or B (Choice)	Pie	No. 10.....	106,328	8,861

## Macfadden Publications

Ether Foley, home service director, features articles on canned fruits in two of the October Macfadden publications.

In *True Story* magazine the article "Apples! Cherries! Pick your dessert!" begins, "Canned fruit is a bargain—in time, in quality, in price!" The article uses nine reader-contributed recipes—five using canned red cherries, three using canned sliced apples and one using canned fruit cocktail. The recipes include Apple Nut Pizza, Cherry Wine Dessert, Spice Apple Pudding, Modern McGinties, Old Fashioned Cherry Cobbler, Fruit-Topped Cupcakes, Cherry-Mallow Crisp, Cherry Pie and Cherry Sauce. The article is attractively illustrated with a full-page color photograph.

In *True Romance* the article "Fit for any King" features canned sliced apples. Miss Foley begins, "An apple cut and sliced can be shaped into almost any type of dessert . . . as these recipes prove!" Included in the article are five reader-contributed recipes using canned sliced apples: Apple Upside Down Cake, Apple Dessert, Apple Crisp, Delicious Apple Pie and Apple Pinwheels. The article is attractively illustrated with two black and white photographs.

## Canned Foods for School Lunch

USDA announced September 18 the purchase of 483,867 cases of canned tomatoes and 285,000 cases of tomato paste, with section 6 funds, for distribution in the National School Lunch Program.

**Tomatoes**—Purchases of tomatoes consisted of 436,559 cases of No. 10's and 47,308 cases of No. 2½'s. Purchases were made in California, Maryland, Delaware, and Arkansas.

Prices for No. 10's, without discounts, ranged from \$2.99 to \$3.08 in California; from \$3.59 to \$3.67 in Maryland; from \$3.645 to \$3.735 in Delaware; and were \$3.749 in Arkansas.

Prices for No. 2½'s, without discounts, ranged from \$3.16 to \$3.30 in California; and were \$4.01 in Maryland.

**Paste**—All of the 285,000 cases of paste was in No. 10's and was purchased in California at prices ranging from \$4.38 to \$4.70 per case without discounts.



## 1958 Pack of Canned Peas

The 1958 pack of canned peas was reported by the N.C.A. Division of Statistics at 33.1 million cases, 12 percent less than the 1957 pack. However, the pack combined with the carryover on June 1 add up to a total canners' supply of 41.6 million cases, practically the same as last year's record supply of 41.7 million cases in canners' hands.

The largest decreases in pack were registered in the Northwest, with the Washington-Oregon pack down 20 percent, and in Wisconsin, with a 14 percent drop from the 1957 pack. The only states to reflect increases over 1957 were Pennsylvania, up 17 percent, and Indiana, up 18 percent.

The pack of Early June was 18 percent below 1957 and the pack of sweets was 11 percent smaller.

State	1957	1958	Percent change from 1957
(thousands of cases)			
Northeast:			
N. Y. and Maine	1,098	933	-13
Middle Atlantic:			
Maryland	881	795	-10
Pennsylvania	389	690	+17
Midwest:			
Indiana	206	244	+18
Illinois	4,225	4,043	-4
Minnesota	4,955	4,587	-7
Wisconsin	15,292	13,175	-14
West:			
Mont. and Wyo.	328	107	-49
Idaho and Utah	1,440	1,266	-12
Wash. and Ore.	16,560	13,219	-20
Other states <sup>b</sup>	2,323	1,971	-12
U. S. Total	37,807	33,110	-12

<sup>a</sup> Does not include the pack of Early June which is included in "other states." <sup>b</sup> Ark., Calif., Colo., Del., Iowa, Mich., Ohio, and Va.

The proportion of canned peas of Fancy quality reached a record high this year at 61 percent, easily surpassing the previous high quality years of 1954 and 1956 when 58 percent were of Fancy quality. The distribution of the canned pea pack by quality during the last seven years is shown in the following table:

	Fancy	Extra Std.	Std.
(percent of annual pack)			
1952	53	31	16
1953	56	29	15
1954	58	27	15
1955	56	29	15
1956	58	28	14
1957	55	30	15
1958	61	28	11

## PACK OF GREEN PEAS, IN CASES, ALL SIZES, 1957 AND 1958

	1957		1958	
	Early June	Sweets	Early June	Sweets
(actual cases)				
Northeast:				
New York and Maine		1,098,385		952,516
Middle Atlantic:				
Maryland	209,875	671,137	228,412	567,060
Pennsylvania	144,197	444,575	106,361	583,370
Other states	78,068	55,740	186,959	84,329
Midwest:				
Ohio	60,947	(a)		(a)
Indiana	206,226		244,125	
Illinois	716,568	3,507,076	515,699	3,527,755
Michigan	(a)	292,819	(a)	(a)
Minnesota	1,300,909	3,593,727	1,302,293	3,384,577
Wisconsin	4,363,733	10,928,718	3,302,693	9,872,766
Other states	239,775	211,891	346,677	430,674
West:				
Montana and Wyoming		328,058		166,559
Idaho and Utah	(a)	1,440,425	(a)	1,266,181
Washington and Oregon	(a)	6,589,917	(a)	5,218,621
Other states	613,584	679,603	418,773	503,640
U. S. Total	7,993,972	29,812,071	6,531,992	26,538,018

(a) Included in other states.

The distribution of the pack by container size from 1955 through 1958 is shown in the following table:

	1955	1956	1957	1958
(percent of annual pack)				
24/303	74	72	73	72
48/82	14	16	12	14
6/10	10	11	14	13
48/1P	1	1	1	1
Misc.	(a)	(a)	(a)	(a)

(a) Less than one-half of 1 percent.

## SUPPLY

The total supply of canned peas, combining distributors' stocks on June 1 with canners' carryover and pack, is 45.2 million cases. This is a record supply and the fifth consecutive year in which an increase has been recorded. Last year's record supply totaled 44.8 million cases. Distributors' stocks of 3.6 million cases on June 1 of this year were the highest since 1954.

The following table shows the total supply of canned peas from 1955 through 1958:

	1955	1956	1957	1958
(millions of actual cases)				
Carryover, June 1:				
Canners	1.0	2.1	3.0	8.5
Distributors	3.3	3.2	3.1	3.6
Pack	31.2	33.1	37.8	33.1
Total supply	35.4	38.4	44.8	45.2
Canner shipments	31.0	31.3	33.2	...

The following table shows total supply and shipments of canned peas by type and geographic area:

## Stocks and Shipments of Apples and Applesauce

Reports on canners' stocks and season shipments of canned apples and applesauce have been issued by the N.C.A. Division of Statistics.

## CANNED APPLES

	1956-57	1957-58
(basis 6/10)		
Carryover, Sept. 1	697,673	963,301
Pack	3,916,709	3,068,185
Total supply	4,614,382	4,031,486
Stocks, Sept. 1	963,301	1,058,890
Shipments during Aug.	272,838	323,132
Shipments, Sept. 1-Sept. 1	3,651,081	3,672,677

## APPLESAUCE

	1956-57	1957-58
(actual cases)		
Carryover, Sept. 1	1,124,446	2,357,876
Pack	15,339,316	14,006,339
Total supply	16,463,762	16,364,215
Stocks, Sept. 1	2,357,876	1,836,446
Shipments during Aug.	952,497	745,101
Shipments, Sept. 1-Sept. 1	14,105,886	14,527,709

Region and Type	Canners Supply 1957-58	Shipments 1957-58
(thousands of actual cases)		
U. S. Total	41,708	33,213
Early June	8,321	7,983
Sweets	33,387	25,230
Northeast	1,236	1,007
Sweets	1,236	1,007
Middle Atlantic	1,792	1,449
Early June	483	403
Sweets	1,309	1,046
Midwest	27,228	21,745
Early June	7,215	6,910
Sweets	20,013	15,828
West	11,451	9,012
Early June	622	570
Sweets	10,829	8,442

### C.&T.R. Mailing of Seventeen Magazine Feature

N.C.A. mailed to members and others on its Consumer and Trade Relations mailing list this week a reprint of the column in the September issue of *Seventeen* magazine entitled "Cut Out for Cooking." The contents of this feature, designed for its 1,012,689 'teen-age readers, were described in the INFORMATION LETTER of Sept. 13, page 279.

The column was started more than a year ago and to help increase its permanent value a "Teen Cooks How-To" book binder was offered. Teen-agers are able to cut out and file the feature, which combines housekeeping facts in an entertaining way. In observance of "September is Canned Foods Month," *Seventeen* entitled the September cut-out feature, "Cans, Jars and Openers," and covered many of the basic pointers on cooking with canned foods. The reprints were mailed as an example of how this magazine is carrying the canned foods message to the cooks of tomorrow.

### Farm Income Situation

Farmers' realized net income in the first three quarters of 1958 is estimated by the Agricultural Marketing Service of USDA at an annual rate of about \$13 billion, 19 percent more than in the same period of 1957. The increase was credited to 6 percent higher prices, 4 percent more marketing volume, and larger Soil Bank payments, which more than offset a further gain in production expenses.

The estimates for the first three quarters of the year are based on data showing net income in the first half at a rate 22 percent greater than in the first half of last year, and tentative data for the third quarter indicating net income in that period to be 15 percent ahead of the third quarter of last year.

Farmers' cash receipts from marketings in the first eight months of 1958 totaled nearly \$19½ billion, 10½ percent more than in the corresponding period of 1957.

Cash receipts from marketing vegetables during the first six months of 1958 totaled \$872 million, up 11½ percent over the \$782 million receipts in the first half of 1957, and receipts from sales of fruits and nuts totaled \$819 million, an increase of about 12 percent over the \$733 million receipts in the first six months last year.

### Personal Income in August

Personal income in August was at a seasonally adjusted annual rate of \$355½ billion, it is reported by the Office of Business Economics, U. S. Department of Commerce. After discounting all of the \$380 million paid to federal employees in July as a lump-sum retroactive salary adjustment, the August figure was about

\$1½ billion higher than the July figure and was \$3½ billion above the June total.

Higher manufacturing payrolls in August reflected advances in employment, particularly in the primary metals and machinery industries. Among nonmanufacturing industries, gains occurred mainly in retail trade and services.

### Summary of Legislation—85th Congress

#### AGRICULTURAL TRADE DEVELOPMENT

P. L. 85-128 (in 1957) raised Title I authorizations under the so-called "480 Program" from \$3 billion to \$4 billion and extended the program to June 30, 1958. P. L. 85-931 (in 1958) raised the authorizations an additional \$2¼ billion and extended the program to December 30, 1959.

#### ANTIDUMPING ACT

P. L. 85-630 amends the Antidumping Act of 1921 so as to facilitate determinations under the Act. Under that Act a special dumping duty may be assessed in cases where it is found that imports are entered at less than fair value and are causing injury to domestic industry. The new legislation establishes a new set of definitions for determining fair value and eases the burden on domestic industry of proving injury.

#### CCC EQUITY PAYMENTS

P. L. 85-835, the general farm bill, contains a provision authorizing the CCC to acquire title to unredeemed collateral without obligation to make equity payments (see INFORMATION LETTER of Aug. 23, 1958, page 257).

#### COUNTRY LIFE COMMISSION

A House Agriculture Subcommittee approved legislation to create a 25-member commission to make broad recommendations on the total development of country life (see INFORMATION LETTER of April 12, 1958, page 135). The full Committee did not act on the bill, nor did the Senate Agriculture Committee act on a companion bill.

#### CUSTOMS DRAWBACK

P. L. 85-673 amended the Tariff Act of 1930 to extend the privilege of sub-

stitution for the purpose of obtaining drawback upon re-exportation of all classes of merchandise (see INFORMATION LETTER of March 1, 1958, page 103.) If imported materials were used, together with domestic merchandise of the same kind and quality, in the manufacture of a new product and some of the new articles were exported, it might be possible under the new amendment to obtain a refund of the duty paid on the imported materials.

#### DEFENSE PRODUCTION ACT

P. L. 85-471 continues Titles I, III, and VII of the Defense Production Act through June 30, 1960. The law carries no authority for price or wage stabilization, but does authorize allocations, priorities, and rationing of civilian goods, under certain circumstances (see INFORMATION LETTER of Aug. 2, 1958, page 233).

#### FARM WORKERS HOUSING

A bill to authorize five-year amortization of housing facilities for farm workers was reported by the House Ways and Means Committee in 1957.

A bill authorizing federal loans for housing facilities for migratory farm workers, under the Housing Act, was the subject of hearings by a subcommittee of the House Banking Committee.

#### FEDERAL PREEMPTION

The House passed a bill which would have modified the doctrine of federal preemption in such a way that a state law would not be nullified by a federal law on the same subject unless the federal law so provided or there was a direct conflict between the two laws (see INFORMATION LETTER of May 29, 1958, page 177). The Senate debated

The 85th Congress adjourned sine die August 24. If the 85th Congress were to be reconvened by the President for a special session this fall, legislation would be considered in its status as of August 24. Otherwise, with adjournment, all bills which failed of enactment are dead; and legislation must be introduced anew in the 86th Congress, which will be convened at noon January 7, 1959.

A detailed summary of legislative activity of the First Session of the 85th Congress was published in the INFORMATION LETTER of Sept. 7, 1957. In this summary are described the total accomplishments of the 85th Congress and the principal provisions of selected legislation of interest to the canning industry.

the bill and various amendments and rejected all such legislation.

The legislation would have been contrary to the views expressed by the canning industry in a resolution adopted at the N.C.A. Annual Meeting in Atlantic City in 1958.

#### FISHERIES LOAN FUND

P. L. 85-888 increases the total authorized lending capital in the fisheries loan fund from \$10 million to \$20 million.

#### FDA FOOD ADDITIVES

P. L. 85-929 amends the Federal Food, Drug, and Cosmetic Act to authorize the FDA to prohibit the use in food of additives which have not been adequately tested and found safe. The FDA is preparing its plans for administration of the new law, and an analysis of the legislation and its administration will be published in the INFORMATION LETTER.

#### FDA RE-EXPORTS

P. L. 85-250 permits the exportation of articles seized and condemned by the FDA from any port, rather than only through the port of entry (see INFORMATION LETTER of Aug. 3, 1957, page 265).

#### FOOD STAMP PLAN

A bill to direct the Secretary of Agriculture to establish a food stamp plan was reported by the House Agriculture Committee and its consideration by the House was blocked by the Rules Committee.

#### HOUSE INVESTIGATION OF FOOD PRICE SPREADS

A special Consumer Subcommittee of the House Agriculture Committee, under Representative Anfuso (N.Y.), instituted an investigation of food price spreads between the farmer and consumer. A statement by N.C.A. Secretary Carlos Campbell, submitted to the Subcommittee, pointed out that canning crops producers have fared better in the last 10 years than producers of other foods (see INFORMATION LETTER of May 11, 1957, page 175).

#### ICC AGRICULTURAL EXEMPTION

P. L. 85-625, the omnibus transportation bill, contains a provision terminating the so-called agricultural exemption under section 203(b)(6) for frozen fruits and vegetables and returning these commodities to economic regulation (see INFORMATION LETTER of Aug. 2, 1958, page 237).

#### ICC MOTOR CARRIER DEFINITION

P. L. 85-625 also contains a provision designed to assist the ICC in its enforcement against "buy-and-sell" trucking operations (see INFORMATION LETTER of Aug. 2, 1958, page 237).

#### ICC PRIVATE CARRIER REGISTRATION

Bills to require private motor carriers to register annually with the ICC (see INFORMATION LETTER of March 23, 1957, page 135) were the subject of hearings by the Senate Commerce Committee. Private carrier interests proposed, instead of registration, that the ICC have access to the records of the Internal Revenue Service with respect to the federal highway use tax. Action on the bills was dropped.

#### INDUSTRIAL UTILIZATION

Congress considered various proposals for programs to develop new uses for farm products, in line with the recommendations of the President's Commission on Increased Industrial Use of Agricultural Products (see INFORMATION LETTER of June 15, 1957, page 219). One of the Commission's alternative plans, the creation of a new administrative agency in the USDA, was provided for in a bill passed by the Senate but not considered in the House. In objecting to this bill, the USDA suggested instead that existing research activities could be strengthened by the appointment of an advisory board within the Department.

#### JOINT ECONOMIC COMMITTEE

Extensive hearings were held by the Agricultural Subcommittee of the Joint Committee on the Economic Report. Marketing agreements and contract farming were included among the subjects of panel discussions and prepared papers (see INFORMATION LETTER of Dec. 21, 1957, page 361).

#### MARKETING ORDERS

**Cranberries**—A number of bills to amend the Agricultural Marketing Agreement Act of 1937 so as to authorize marketing orders for cranberries for canning were opposed by the N.C.A. at a hearing by the Senate Agriculture Committee (see INFORMATION LETTER of May 4, 1957, page 167).

**Imports**—The House Agriculture Committee approved but the House rejected legislation that would have added citrus fruits, walnuts, figs and dates to the list of imported commodities which might be made subject to the same requirements as domestic products under marketing orders.

**Parity**—No action was taken on a bill designed to authorize the Secretary of Agriculture to continue marketing orders in effect even after parity is reached.

**Potatoes**—A number of bills to prohibit the sale of potatoes of a lower grade than U. S. No. 2, under certain conditions, were the subject of hearings by the House and Senate Agriculture Committees. Through the testimony of canner witnesses, N.C.A. opposed the application of the marketing restrictions to canning (see INFORMATION LETTER of April 20, 1957, page 159, and May 29, 1957, page 191).

#### MEXICAN FARM LABOR PROGRAM

P. L. 85-779 extends for two years—to June 30, 1961—the authority under P. L. 82-78 to import Mexican nationals for employment in agriculture.

#### NORTH PACIFIC FISHERIES ACT

P. L. 85-114 extends the geographic area of federal control over net fishing of salmon and certain other fish, for conservation purposes.

#### ORGANIZATION FOR TRADE COOPERATION

Bills to authorize U. S. participation in the Organization for Trade Cooperation, which is intended primarily to provide permanent arrangements for the administration of the General Agreement on Tariffs and Trade, were referred to the House Ways and Means Committee, where they received no formal consideration.

#### PACKERS AND STOCKYARDS ACT

P. L. 85-909, amending the Packers and Stockyards Act and the Federal Trade Commission Act, defines areas of jurisdiction of the USDA and the FTC with respect to trade practices involving meat packing and retail food sales (see INFORMATION LETTER of Aug. 30, 1958, page 262).

#### POULTRY PRODUCTS INSPECTION ACT

P. L. 85-172, the Poultry Products Inspection Act, requires inspection of all poultry in interstate commerce for wholesomeness and provides for a USDA poultry inspection program (see INFORMATION LETTER of Aug. 17, 1957, page 275, and Feb. 8, 1958, page 89).

#### PREMERGER NOTIFICATION

Legislation to require 60 days' notice prior to merger of corporations having total book value of more than \$10 million was reported by the House Judiciary Committee in 1957 and was the subject of hearings by the Senate Judiciary Committee in 1958.

#### PUERTO RICO MINIMUM WAGE

P. L. 85-750 authorizes biennial reviews of wage rates in Puerto Rico, the Virgin Islands, and American Samoa which are below the statutory minimum, rather than annual reviews.

#### RAW PRODUCT BARGAINING

A bill authorizing collective bargaining between growers or handlers and processors and other purchasers was reported by the Senate Agriculture Committee with an amendment limiting the permissive bargaining to milk and milk products. With this



amendment the bill was passed by the Senate (see INFORMATION LETTER of July 19, 1958, page 223) and was referred to the House Judiciary Committee, where companion bills had been pending without consideration.

#### REORGANIZATION ACT

P. L. 85-286 extends for two years—to June 1, 1959—the authority of the President to reorganize the Executive Branch of the Government.

#### ROBINSON-PATMAN ACT

S. 11, to restrict the "good faith" defense against a charge of price discrimination, was reported by the Senate Judiciary Committee with an amendment limiting its application to food, drugs or cosmetics when sold for resale to consumers. The House took no action on the companion bill, H. R. 11.

#### SALMON PREDATORS

P. L. 85-887 authorizes research aimed at elimination of the dogfish shark, a salmon and halibut predator, in the Pacific.

#### SALMON PROTECTION

S. Res. 263, favoring negotiations with the government of Japan for the protection of the Alaskan red salmon fisheries, was adopted by the Senate and a companion resolution, H. Res. 451, was adopted by the House. Such negotiations, if held, would have been concerned with conservation in the North Pacific.

#### SMALL BUSINESS ADMINISTRATION

Under P. L. 85-536 the Small Business Administration was made a permanent federal agency with authority to lend qualified borrowers up to \$350,000, and with a definition of small business which recognizes differing characteristics of various industries (see INFORMATION LETTER of July 19, 1958, page 223).

#### SMALL BUSINESS TAX REVISION

P. L. 85-866, a general technical amendments act, contains provisions initially identified as the Small Business Tax Revision Act, providing limited relief from certain income and estate tax problems of importance to small business (see INFORMATION LETTER of July 19, 1958, page 225).

#### SOCIAL SECURITY

P. L. 85-840 raises social security benefits and increases taxes on employers, employees, and self-employed individuals, according to the following schedule:

Year	Employees & Employees	Self-employed income
	(percent of first \$4,800)	
1959.....	2½	3½
1960-62.....	3	4½
1963-65.....	3½	5½
1966-68.....	4	6
After 1968.....	4½	6½

#### SOCKEY SALMON FISHERY ACT

P. L. 85-102 amends the Sockeye Salmon Fishery Act of 1947 so as to extend the regulatory authority of the International Pacific Salmon Fisheries Commission to include pink salmon.

#### STATEHOOD FOR ALASKA

P. L. 85-508 provides statehood for Alaska and contains a provision, designed as a conservation measure, retaining management of the Alaskan fish and wildlife resources in the federal government "until the first day of the first calendar year following the expiration of 90 legislative days after the Secretary of the Interior certifies to the Congress that the Alaska State Legislature has made adequate provision for the administration, management, and conservation of said resources in the national interest."

Alaska will be entitled to send two Senators and one Representative in the 86th Congress.

#### STATEHOOD FOR HAWAII

H. R. 50, providing statehood for Hawaii, was reported by the House Interior and Insular Affairs Committee Aug. 23, 1958.

#### TRADE AGREEMENTS ACT

P. L. 85-686 extends the President's authority to negotiate reciprocal trade agreements and to establish tariff rates for four years—to June 30, 1962 (see INFORMATION LETTER of Aug. 16, 1958, page 253).

#### TRANSPORTATION POLICY

S. Res. 303 authorized the Senate Commerce Committee to conduct a comprehensive study of federal transportation policy with respect to the maintenance of a sound national transportation system (see INFORMATION LETTER of June 28, 1958, page 206). The study, including public hearings, is expected to get under way in January.

#### TRANSPORTATION TAX REPEAL

P. L. 85-475, extending corporate and excise tax rates, contains a provision repealing the 3 percent tax on transportation of property, effective with respect to amounts paid for transportation on and after August 1, 1958.

The Act continues for another year—to June 30, 1959—the existing normal tax rate of 52 percent on corporate income and certain excise taxes, including rates of 10 percent on telephone and wire services, business and store machines, automobiles and trucks; 8 percent on automobile parts and tires; and 3 percent on gasoline.

#### WAGE-HOUR

The Administration recommended to Congress in 1957 that the Fair Labor Standards Act be amended so as to extend coverage to employees of large chain store organizations, giant single unit department stores and other large retail establishments; metropolitan transit systems; hotel systems, taxicab companies; construction enterprises; and telephone companies and seamen. After hearings on this question, a Senate Labor Subcommittee under Senator Kennedy (Mass.) prepared a bill containing a provision that would have also eliminated the overtime exemption for fish cannery workers contained in section 13(b)(4) of the Act. The Kennedy bill was considered by the full Senate Labor Committee on a number of occasions but was not approved. The House Labor Committee considered a number of wage-hour bills but took no action on them.

An investigation into the enforcement of major wage-hour legislation was started by a House Labor Standards Subcommittee under Representative Landrum (Ga.) (see INFORMATION LETTER of April 26, 1958, page 147).

#### WASTE DISPOSAL FACILITIES

No action was taken by the House Ways and Means Committee on bills to amend the Internal Revenue Code to authorize rapid amortization of waste disposal facilities and waste treatment works.

In related activity the President's Water Pollution Control Advisory Board, on which the canning industry is represented, recommended to the Surgeon General that he support legislation to permit five-year amortization of such facilities.

#### WELFARE AND PENSION FUNDS

P. L. 85-836 requires registration with the Secretary of Labor by administrators of pension plans established and maintained by employers, or by employee organizations representing employees who are engaged in interstate commerce, or of any such plan where the income of the plan is claimed to be tax exempt. When signing the bill the President stated that it required extensive amendment but established a precedent of federal responsibility in the labor-welfare fund area.

#### WHITE ACT

P. L. 85-296 repeals a requirement in the White Act of 1924, the basic law for the conservation of the commercial fisheries of Alaska, that escapement must be provided for at least half of the salmon. The amendment was intended to improve the Fish and Wildlife Service's management of the Alaskan salmon fisheries.

## FAWS Is Third U. S. Agency To Salute Canned Foods Month

The U. S. Fish and Wildlife Service is saluting "September is Canned Foods Month" with a special bulletin released last week to 2,000 magazine and newspaper food editors and to 1,000 key people in the canning trade. The N.C.A. Fishery Products Division has mailed copies also to fish canner members, members of the N.C.A. Board of Directors, and the Fishery Products Committee.

This marks the third special observance by a federal government agency of the special month devoted to canned foods promotion (see accounts of salutes and programs by the USDA and the Department of Commerce, September 6 INFORMATION LETTER).

The 16-page publication by the Branch of Market Development, Bureau of Commercial Fisheries, contains data on the nutritional value of canned fishery products; enumerates for food editors the wide variety of canned items available; and features special chapters on shrimp, salmon, tuna, clams, and sardines, with specific consumer information on each.

The bulletin contains five pages of recipes involving the use of these various canned seafoods: clams, crab meat, fish flakes, mackerel, Maine sardines, oysters, Pacific sardines, salmon, shrimp, and tuna.

## Another September Salute

The Mount Vernon-Lee Chamber of Commerce, serving two of Virginia's magisterial districts, made a special observance of "September is Canned Foods Month" at a banquet September 15. To their audience of about 50 merchants and business men and their wives and guests they showed the N.C.A. film "The Three Squares," and to their total mailing list of 500 distributed a special fact sheet prepared by the Information Division setting forth the significance of the September Month promotion, along with highlights of the history, importance, and other public service values of canned foods and the canning industry.

Five of the Chamber's members, who are in the food business, assembled canned foods samples which were given out to guests as souvenirs of the occasion.

## REPORTS ON ASSOCIATION ACTIVITIES

### Fishery Products Division

In the first of these special reports on the functions and activities of the Fishery Products Division the program of work of the Division was described as being predicated on the special interests and problems of fish canner members.

The Fishery Products Division has devoted a major part of its effort during the past three months to the specialized legislative interests of fish cannery. This specialized legislative activity arises because the members of Congress representing fishery interests are exclusively from coastal states and Committees in charge of fishery legislation have little or no jurisdiction over legislation affecting other cannery.

During the last session of Congress some interests in the fishing industry sought to obtain enactment of legislation providing a processing and production subsidy. Because such a subsidy program would have widespread significance throughout the fishing industry, great interest was evidenced by many fish cannery. A number of legislative proposals were made to provide assistance to various segments of the fishing industry.

Among other important legislative affairs on which the Division made regular reports to the fish canner members were Alaska statehood, Trade Agreements Act, Antidumping Act, Fisheries Loan Fund, and salmon predators.

Consistent with the general N.C.A. legislative policy, the Division maintained a constant vigil on these special legislative areas of concern to fish cannery, insuring that fish canner members were informed on all developments.

The industry was kept informed on developments in these fields through the weekly *Fishery Information Bulletin*, special bulletins and correspondence.

The *Fishery Information Bulletin* continued to report on programs of the Fish and Wildlife Service which are of major concern to fish cannery, foreign fishery developments affecting raw product supply and competition, and fishery statistics, as well as Congressional developments.

The Fishery Products Division also took an active part in collecting canned fishery products to be included in the N.C.A. exhibit at the USDA as a feature of "September is Canned Foods Month" and in assuring that all segments of the industry were adequately represented.

The Division furnished material about canned fish and shellfish for use by the Department of the Interior in preparing a special illustrated brochure for food editors, promoting the use of these products. This brochure was issued by the FAWS Branch of Market Development to support the industry promotion of canned foods during September.

## TABLE OF CONTENTS

	PAGE		PAGE
<b>Association Activities</b>		<b>Personnel</b>	
Reports on Association activities:		Canning industry represented . . .	281
Fishery Products Division . . .	288	<b>Procurement</b>	
<b>Business Indicators</b>		Canned foods for school lunch . . .	283
Farm income situation . . . . .	285	MSSA requirements for canned	
Personal income in August . . . .	285	foods . . . . .	283
<b>Canned Foods Month</b>		<b>Publicity</b>	
N.C.A. donates canned foods to		<i>Restaurant Management</i> . . . . .	282
Red Cross Disaster Service . .	281	<i>Institutions magazine</i> . . . . .	282
FAWS is third U. S. agency to		<i>Volume Feeding Management</i> . .	283
salute Canned Foods Month . .	288	Macfadden publications . . . . .	283
Another September salute . . . .	288	<b>Standards</b>	
<b>Congress</b>		Food standards committees re-	
Summary of legislation—85th		view industry comments . . . .	281
Congress . . . . .	285	<b>Statistics</b>	
<b>Consumer and Trade Relations</b>		1958 pack of canned peas . . . .	284
C.&T.R. mailing of <i>Seventeen</i>		Stocks and shipments of canned	
magazine feature . . . . .	285	apples and applesauce . . . . .	284
<b>Farm Program</b>		<b>Taxes</b>	
CCC investment in crops is down		Final IRS regulations on indi-	
4% from mid-1957 . . . . .	281	vidual expense deductions . . .	281